HOUSING MARKET INFORMATION

HOUSING MARKET OUTLOOK
Atlantic Region Highlights

CANADA MORTGAGE AND HOUSING CORPORATION

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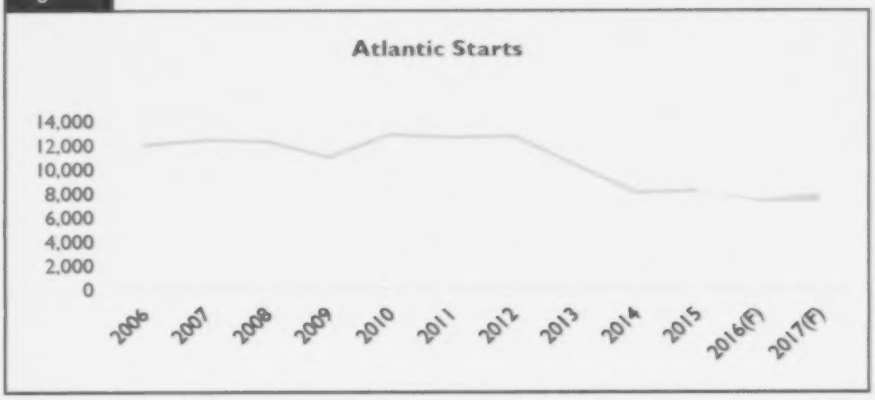
Housing Market Forecast

Figure 1



Source: CMHC, (F): Forecast

Figure 2

Source: CREA, (F): Forecast

The outlook is subject to uncertainty. The forecasts and historical data included in this document reflect information available as of April 29th, 2016.

Atlantic Overview

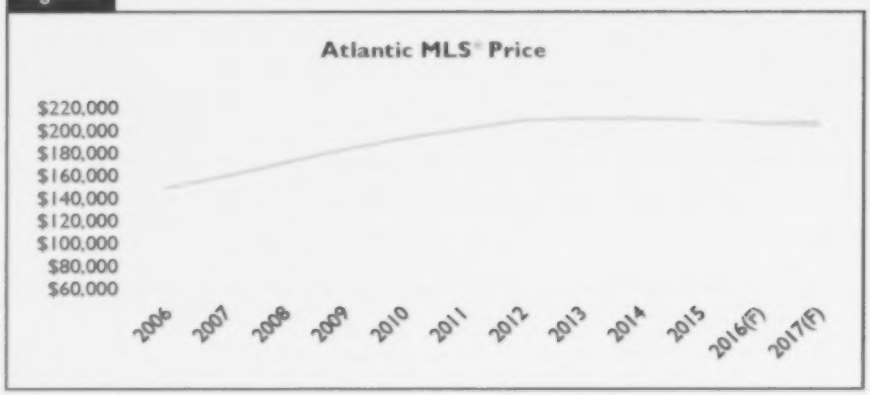
- Housing starts in Atlantic Canada are expected to decline moderately in 2016 within a range of 7,130 and 7,350 starts, moving up slightly in 2017, and be in the range of 7,075 and 7,835 starts in 2017.
- MLS® sales will range from 21,615 to 22,035 units in 2016 and from 21,295 to 22,305 units in 2017.
- The average price for existing homes is forecast to remain flat over the forecast period, ranging between $203,015 and $206,655 in 2016 and between $201,598 and $207,207 in 2017.

Newfoundland and Labrador

Economic growth in Newfoundland and Labrador (NL) will remain below the pace of the other three provinces in Atlantic Canada. GDP is also expected to remain negative in both 2016 and 2017. The provincial government's current fiscal situation is unprecedented in terms of the size of the current deficit and total debt. The province will continue to be pressured to look for new revenue sources if oil prices remain lower for longer. Beyond the current forecast period, the province's economic future should begin to brighten as energy and resource investment activity rises over the longer term. Oil, prices are likely to gradually improve as global supply continues to pull back.

The province's labour market conditions in 2016 have continued to soften for the fourth year in a row. Recent economic weakness has resulted in additional labour pressures for NL as the labour market was already being impacted over the last year by the rise in the number of unemployed Alberta commuters. These unemployed individuals remain at home in NL hoping to go back for work. Employment is forecast to decline -1.8 per cent in 2016 and -3 per cent in 2017. The unemployment rate is expected to remain elevated as labour force and employment pressures continue to mount around a weakening economy that is also being impacted by a lack of new capital project activity.

Figure 3



Source: CREA, (F): Forecast

Net migration is not expected to stabilize over the current forecast. With a lack of employment growth, the level of out-migration from NL to other parts of Canada is expected to increase this year and next. A weaker outlook for employment compared to other regions of Canada, will force people to look for opportunities outside NL. Although it will be lower than recent years, international immigration is expected to remain positive as more refugees come to Canada, including NL. Immigration to NL from outside Canada will also be partially supported by international students coming to St John's to study.

Demand for housing will see continued declines over the forecast period as a result of a negative outlook for population, income and employment. Accordingly, the single-detached housing market will range from 1,135 to 1,165 single starts this year and between 945 and 1,055 starts in 2017.

With no large rental projects expected to break ground over the forecast period, multi-unit construction activity is expected to remain well below prior year levels. Basement apartments and small multi-unit rental projects targeted at seniors and affordable housing projects, are expected to be a key component of market activity. In contrast, semi-detached and row units are not expected to contribute significantly to the number of multiple starts over the forecast period. As a result, the range for multiples will be from 270 to 350 units this year and from 245 to 355 units in 2017.

Although a lack of employment and economic growth did not materially impact sales activity overall in 2015, the same will not be true for either 2016 or 2017 as growing availability in the rental market will temper renter movement into homeownership. Lower oil prices, as well as negative

Note to readers

In an effort to align itself with the various needs of those seeking information about the housing market, CMHC's Market Analysis Centre has undertaken a complete review of its products and services. As a part of this review, the CMHC's *Housing Market Outlook* publication will be undergoing a series of modifications. The general objective is to provide a range of possible outcomes that, in a context of economic and financial uncertainty, will better help users in their decision-making process.

As a first step in this ongoing process, the present edition incorporates forecast ranges for housing variables as well as an expanded discussion on the risks to the forecast. A more detailed description of the forecast range methodology is provided at the end of the publication.

economic growth, are also expected to impact resale housing activity. As a result, MLS® sales will range between 3,935 to 3,965 units this year and between 3,605 to 3,795 units in 2017.

Prices declined in 2015 for the first time after several years of significant price growth. For this year and 2017, average residential prices will continue to decline further, driven by a lack of growth in population, income and employment, thus impacting housing demand. Average prices are expected to be in the range of $254,515 to $269,485 this year and $247,715 to $262,285 in 2017.

Prince Edward Island

Economic growth for Prince Edward Island (PE) will continue at a modest pace over the forecast horizon. A softer Canadian dollar and stable U.S. economy will help to support the PE economy across various export segments, including aerospace, agriculture, and seafood processing. Aerospace exports will expand as a result of a new engine test facility completed last year. Exports of agriculture and seafood products will continue to benefit from steady demand for these U.S. dollar denominated goods. The tourism sector will also see the added benefit from lower gasoline prices and more U.S. discretionary spending as a result of the stronger US dollar.

An aging provincial demographic profile, combined with an increasingly more mobile workforce, as a result of fewer employment opportunities at home, have continued to shrink PE's labour force over the past two years. The return to modest growth is expected to occur over the current forecast horizon as export-driven industries begin to expand production to take advantage of the lower Canadian dollar. As a result, employment growth is expected to be 0.5 per cent in 2016 and 0.4 per cent in 2017. Trends for the labour force will closely mirror those for employment as international immigration will outstrip the province's demographic challenges. As a result, the unemployment rate will remain reasonably stable over the forecast horizon.

In 2015, ample employment opportunities in provinces such as Nova Scotia, Ontario and Alberta, boosted out-migration to levels not seen since 1990. Fewer available jobs in Alberta will dampen the pace of out-migration, but limited employment growth will also deter the return of Islanders to the province. Recent trends of stable international immigration are expected to continue. PE is also expected to support the addition of 500 Syrian refugees, making 2016 one of the busier years on record for international immigration. Net migration will increase by 1,250 in 2016 and 300 in 2017.

Single-detached starts will grow modestly over the forecast. Positive population growth will help to stabilize the otherwise declining demand for single-detached homes arising from the evolving needs of an aging population. Accordingly, the single-detached housing market will range from 290 to 310 single starts in 2016 and between 310 and 340 starts in 2017.

Multiples starts will dip modestly in 2016 before moving higher in 2017. Semi-detached and row houses are expected to attract baby boomers wanting to downsize and newer Islanders looking to purchase their first home in 2016. Apartment starts will remain subdued as new units under construction combined with the current inventory of vacant units will be more than sufficient to meet market demand. As these units are absorbed, apartment units will regain some momentum in 2017. As a result, multiple starts will range from 195 to 265 units in 2016 and between 215 to 295 units in 2017.

MLS® sales are expected to grow in 2016 before moderating in 2017. Improving labour market conditions as well as steady population growth will provide support to the level of resale housing demand. MLS® sales will range between 1,745 to 1,805 units in 2016 and between 1,650 to 1,750 units in 2017.

Higher MLS® sales activity will continue to reduce the supply of resale homes available to potential buyers as listing activity is not expected to keep pace with sales. Fewer housing options available to buyers will result in demand side pressures, moving average prices higher. Prices are expected to be in the range of $168,265 to $171,735 in 2016 and $172,320 to $177,680 in 2017.

Nova Scotia

Nova Scotia (NS) is expected to show higher economic growth in the upcoming year, driven by growth from the manufacturing and construction sectors. Continued work on Irving Shipbuilding's Arctic offshore patrol ships and the expansion of Pratt & Whitney's facility at the Aerotech Business Park, will support growth in the manufacturing sector. Construction activity will also remain strong in 2016 with continued progress on the Nova Centre and construction also set to break ground on a number of mixed-use residential and commercial properties in the upcoming months. The weaker Canadian dollar should continue to support the export sector, although modest economic growth is expected overall.

Labour market conditions remained fairly stagnant in 2015, with minimal improvement in employment levels recorded. Employment is forecast

to remain on a similar trend, seeing minimal growth in 2016 and 2017. Average weekly earnings are expected to see a growth of close to two per cent in 2016 and close to one per cent in 2017.

International migration is forecast to continue to support an overall positive picture for net migration for the province in 2016 and 2017, with an anticipated 2,500 immigrants expected to arrive per year. With the exodus of people from the province to elsewhere in Canada expected to slow modestly from -1000 in 2016 to -750 in 2017, net migration is forecast to increase by 1,500 in 2016 and 1,750 by 2017.

After continuing on a declining trend in 2015, single starts are expected to see an uptick over the next two years. Population gains into the Halifax Regional Municipality (HRM) in particular, will increase the demand for singles, although an aging population base and the continued construction of a number of high quality rental projects will keep demand at a modest level. As a result, singles will be within a range of 1,480 to 1,520 starts in 2016, with the forecast shifting marginally to 1,475 to 1,525 in 2017.

Demand for apartment units is supporting overall starts activity in Nova Scotia. An aging population base will continue to drive strong demand from those seeking rental units in the HRM, as well as semi-detached units in many of the rural markets. Although total multiples starts are forecast to decline from the strong levels recorded in 2015, they will still remain elevated at between 1,865 to 2,035 units in 2016 and 2,000 to 2,300 units in 2017.

Population increases, coupled with a modest improvement in economic conditions, will provide a stable base for MLS® sales growth. This is supported by strong year-to-date 2016 resale figures outpacing 2015 numbers in the HRM, as well as in most rural markets. As a result, MLS® resales will be within a range of 9,300 to 9,500 units in 2016, with the range shifting up marginally in 2017 to between 9,320 and 9,680 units.

The average price of an existing home is expected to increase over the forecast period, driven by the increase in average prices in Halifax City. Inventory levels are expected to remain elevated however, creating a competitive environment for buyers and therefore keeping price growth subdued. Average prices in the province will be in the range of $221,065 and $221,935 in 2016 and between $220,805 and $225,195 by 2017.

New Brunswick

The outlook for New Brunswick (NB) is for growth to remain relatively low and stable over the forecast period. Weaker private sector investment, combined with significant demographic challenges, will continue to be a drag on the province's economy. The closure of the Potash Corp's mine in Sussex earlier this year and cuts to the provincial workforce announced in the recent provincial budget, will further dampen growth expectations for this year. At the same time, it is also expected that NB businesses will continue to adapt to the low Canadian dollar, giving a boost to manufacturers and the export-oriented service sector, including call centres.

New Brunswick's labour force has contracted over the past 2 years as job seekers continue to relocate to other parts of Canada and baby boomers continue to retire. The number of people employed in the province has also fallen, particularly among part-time workers. The expectation for 2016 and 2017, is for the slowdown to continue as large investment projects like the Irving Refinery refit have finished without any new projects to replace the previous level of activity. Employment is forecast to fall 0.2 per cent in 2016 and 0.3 per cent in 2017. The unemployment rate is expected to remain relatively stable over the forecast as the employment loses are offset by the contraction of the labour force.

For 2016, New Brunswick expects to welcome up to 1,500 Syrian refugees, in addition to the more than 2,000 immigrants the province has welcomed annually since 2008. Greater employment opportunities elsewhere in Canada and higher unemployment in NB, will drive interprovincial outmigration up over the next two years. The gains in immigration should offset the losses to outmigration in 2016, however, with a return to more normal levels of immigration in 2017, net migration will become negative.

An aging population and an uptick in outmigration, have weakened the demand for single family homes. New homes are also facing increased competition from the existing home market and baby boomers who continue to sell their homes. As a result, singles will range from 1,080 to 1,120 starts in 2016 and then shift to between 1,100 and 1,150 units by 2017.

Elevated vacancy rates in some of the province's key urban centres will continue to discourage the construction of new rental apartments. As with singles, outmigration and the ample supply of new listings from the existing home market, will impact semi-detached and row housing starts in both 2016 and 2017. Multiple starts are expected to fall within the range of 665 and 735 units in 2016, before seeing a rise to between 740 and 860 units by 2017 as more supply is needed to satisfy rising demand from an aging population.

An ample supply of new listings on the existing home market has in turn created a wealth of choice for

prospective homebuyers. This choice lengthened the average time required to sell a home in New Brunswick, resulting in a decline in the average sale price. These factors will continue to stimulate demand. MLS® sales are expected to be between 6,635 to 6,765 units in 2016 and 6,720 to 7,080 units in 2017.

Sales will be stimulated by the supply of homes on the resale market, however the corresponding increase in the time required to sell a home will put downward pressure on prices. Average prices are expected to range between $156,310 to $157,690 in 2016 and $157,410 to $160,390 by 2017.

Mortgage rates are expected to rise moderately from current levels in 2017

Mortgage rates are expected to stay near current levels until the end of 2016, supporting housing demand. Consistent with the view of Canadian economic forecasters, CMHC expects interest rates to gradually start rising from current levels in the first half of 2017. This expected profile for mortgage rates is in line with the Bank of Canada's view of the economy returning to its full capacity by the end of 2017, according to its April 2016 Monetary Policy Report.

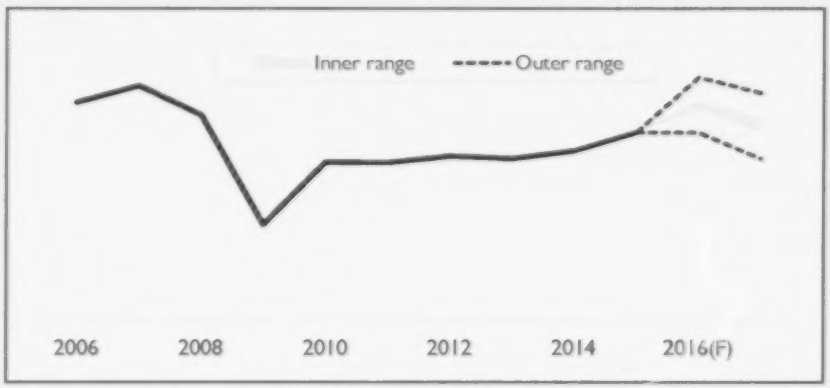
According to CMHC's base case scenario, the five-year mortgage rate is expected to be within the 4.4 to 5.0 per cent range in 2016 and within the 4.7 to 5.3 per cent range in 2017.

Methodology for forecast ranges

The present edition of *Housing Market Outlook* incorporates forecast ranges for housing variables. Despite this change, all analyses and forecasts of market conditions continue to be conducted using the full range of quantitative and qualitative tools currently available. Two sets of ranges are presented in the publication:

- An inner range, which provides more precise guidance to readers on the outlook while recognizing the small random components of the relationship between the housing market and its drivers. This inner range is based on the coefficient of variation* of historical data and on past forecast accuracy. This range provides precision and direction for forecasts of housing variables, given a specific set of assumptions for the market conditions and underlying economic fundamentals.
- An outer range, which reflects potential risks to the forecast due to, for example, the impact of economic shocks. The outer range is based on a broader coefficient of variation of historical data and on past forecast accuracy. This range includes some low-probability events that could have a significant impact on the forecast.

Downward (or upward) adjustments to the ranges may be applied based on local market intelligence if there are more sources of risks (upside or downside) for that specific market.



* The coefficient of variation in this case is the standard deviation divided by the mean of that series. A higher coefficient of variation would produce wider ranges due to the higher volatility of the data, while a lower coefficient of variation would produce tighter ranges.

Spotlight on...

Risk discussion: The Outer Ranges for Starts, Sales and Prices

Overall the current forecast for Atlantic Canada includes a degree of uncertainty around the outlook which increases as we look further into the future. This text box explores some of the possible situations that could lead to outcomes within the outer range as noted as by the dashed line for 2016 and 2017.

Outer Ranges for Starts in 2016 and 2017

Housing starts reached 8,075 units in 2015 which was only slightly higher than 7,962 units in 2014.

The outer range for Atlantic Canada is dependent on provincial events with total housing starts in the region expected to range from 6,080 to 8,400 units in 2016 and from 5,625 to 9,285 units in 2017.

Risks to the Outlook for Starts across Atlantic Canada

Newfoundland and Labrador (NL)

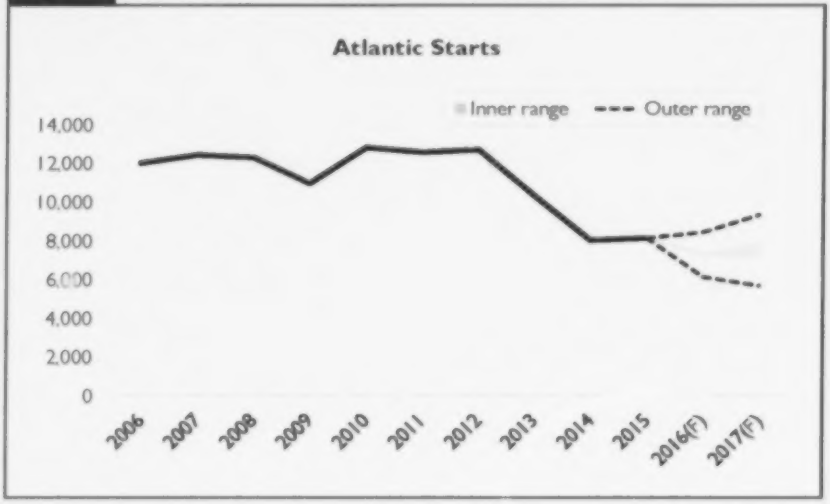
Housing starts in NL are expected to have an outer range of 1,135 to 1,785 units in 2016 and from 920 to 1,680 units in 2017.

Oil prices are likely to gradually improve as global supply continues to pull back. There is also the risk that supply does not adjust and prices remain depressed, impacting the economic growth of the province, thereby pushing starts activity to the lower end of the current range.

The unemployment rate is expected to remain elevated due to a weakening economy that is also being impacted by a lack of new capital project activity. If oil prices were to improve at a greater than expected rate from current levels, capital project activity would also likely improve. This would cause employment and economic growth to stabilize faster over the forecast, resulting in starts moving up toward the upper end of the current range.

With no large rental projects expected to break ground over the forecast period, multi-unit construction activity is expected to remain well below prior year levels. An improving outlook would shift the focus back to new rental projects as the current demographic outlook does support additional demand in a stable economy.

Figure 4



Source: CMHC, (F): Forecast

Prince Edward Island (PE)

Housing starts in PE are expected to have an outer range from 415 to 645 units in 2016 and from 350 to 810 units in 2017.

The tourism sector could see additional benefit from lower gasoline prices and more U.S. discretionary spending, resulting in an improvement to economic growth and housing starts for 2016 and 2017.

If export-driven industries are able to expand production more than expected, economic growth and housing starts would be closer to the upper end of the range for 2016 and 2017.

If PE employment growth were to weaken more than expected, this will further deter the return of Islanders to the province, resulting in starts being in the lower end of the current range for 2016 and 2017.

Weaker population growth would also result in a more pronounced decline in the demand for single-detached homes particularly if it was also tied to weaker employment and overall wage growth.

If retention rates of immigrants were to improve from current levels housing demand would increase over time resulting in housing starts shifting to the higher end of the range.

Although apartment starts will remain subdued over the forecast, if the current inventory of vacant units declined more than expected, total starts could shift to the upper end of the range by 2017 as a result of increased demand for apartments.

Nova Scotia (NS)

Housing starts in NS are expected to have an outer range from 2,995 to 3,905 units in 2016 and from 2,805 to 4,495 units in 2017.

If the weaker Canadian dollar were to support the export sector more than expected, stronger economic growth and housing towards the upper end would be more likely over the forecast.

Employment is forecast to remain stagnant over the forecast, but reduced investment activity could result in a decline in jobs and reduction in housing demand in 2016 and 2017.

If the exodus of people from the province to elsewhere in Canada were to rise more than expected, housing demand would weaken to the lower end of the range over the forecast.

If population gains into the Halifax Regional Municipality (HRM) are weaker than expected, the demand for singles would be lower than expected, resulting in less demand and total starts shifting to the lower end of the current range.

An improving economy and stronger sales activity would support increased demand from an aging population base for rental units in the HRM, resulting in starts shifting to the upper end of the range.

New Brunswick (NB)

Housing starts in NB are expected to have an outer range from 1,535 to 2,065 units in 2016 and from 1,550 to 2,300 units in 2017.

Weaker private sector investment could impose greater risk to the province's economy and housing starts could shift to the lower end of the current range.

The expectation for 2016 and 2017 is for the slowdown to continue, but if there were new investment projects to replace the previous level of activity in the economy, housing starts could begin to shift upward by 2017.

Higher outmigration would weaken the demand for single family homes more than expected, resulting in starts activity remaining near the lower end of the current range of the forecast.

New home construction activity could also face more competition than expected from the existing home market and baby boomers, who continue to sell their homes, resulting in starts remaining near the lower end of the range.

Higher vacancy rates than currently forecast in some of the province's key urban centres would discourage the construction of new rental apartments more than currently expected, resulting in lower starts activity toward the lower end of the range.

Outer Ranges for MLS® Sales in 2016 and 2017

MLS® sales reached 21,812 in 2015 following a slightly lower level of 20,693 sales in 2014.

The outer range for Atlantic Canada is dependent on provincial events with MLS® sales in Atlantic Canada expected to range from 19,380 to 24,270 units in 2016 and from 18,040 to 25,560 units in 2017.

Risks to the Outlook for MLS® Sales in Atlantic Canada

NL

MLS® sales in NL are expected to have an outer range from 3,490 to 4,410 units in 2016 and from 3,035 to 4,365 units in 2017.

If first-time buyer activity slows more than expected, MLS® sales activity would remain in the lower end of the current range over the forecast.

A further decline in current oil prices, as well as more negative economic growth, would also impact resale housing activity towards the lower end of the range of the forecast.

PE

MLS® sales in PE are expected to have an outer range from 1,460 to 2,090 units in 2016 and from 1,290 to 2,110 units in 2017.

The tourism sector could see additional benefit from lower gasoline prices and more U.S. discretionary spending, resulting in an improvement to economic growth and MLS® sales for 2016 and 2017.

Stronger labour market conditions than currently forecast, as well as higher population growth, would provide greater support to the level of MLS® sales toward the upper end of the range.

If PE employment growth were to weaken more than expected, this will further deter the return of Islanders to the province, resulting in a decline in MLS® sales toward the lower end of the range for 2016 and 2017.

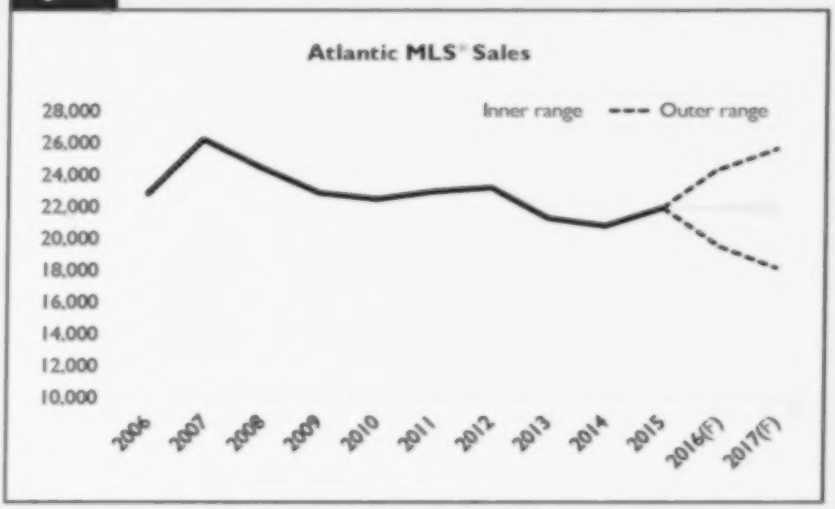
NS

MLS® sales in NS are expected to have an outer range from 8,305 to 10,495 units in 2016 and from 7,705 to 11,295 units in 2017.

Stronger population growth, coupled with a more significant improvement in economic conditions, would provide a lift in MLS® sales growth toward the upper end of the current range for 2016 and 2017.

If the exodus of people from the province to elsewhere in Canada were to rise more than expected, MLS® sales would weaken to the lower end of the range over the forecast.

Figure 5



Source: CREA (F): Forecast

NB

MLS® sales in NB are expected to have an outer range from 6,125 to 7,275 units in 2016 and from 6,010 to 7,790 units in 2017.

Stronger private sector investment could support the current economic outlook, resulting in MLS® sales shifting to the upper end of the current range.

Risks to the Outlook for MLS Prices in Atlantic Canada

NL

MLS® prices in NL are expected to have an outer range from $245,825 to $278,175 in 2016 and from $234,835 to $275,165 in 2017.

Average residential prices could continue to decline further than expected, driven by a lack of growth in population, income and employment, thus impacting housing demand and prices continuing to shift to the lower end of the range.

An increase in MLS® sales activity, tied to better economic growth than expected, would reduce the supply of resale homes available to potential buyers, helping to stabilize and shift house prices toward the upper end of the forecast range.

PE

MLS® prices in PE are expected to have an outer range from $162,480 to $177,520 in 2016 and from $163,685 to $186,315 in 2017.

Demand side pressures from an improving economic outlook would move average prices higher than previously forecast to the upper end of the current range.

NS

MLS® prices in NS are expected to have an outer range from $214,525 to $228,475 in 2016 and from $210,535 to $235,465 in 2017.

Inventory levels could decline more than expected due to a better economic outlook and population growth, resulting in a more competitive environment and higher price growth toward the upper end of the current range

If first-time buyer activity slows more than expected, MLS® sales activity would remain in the lower end of the current range over the forecast.

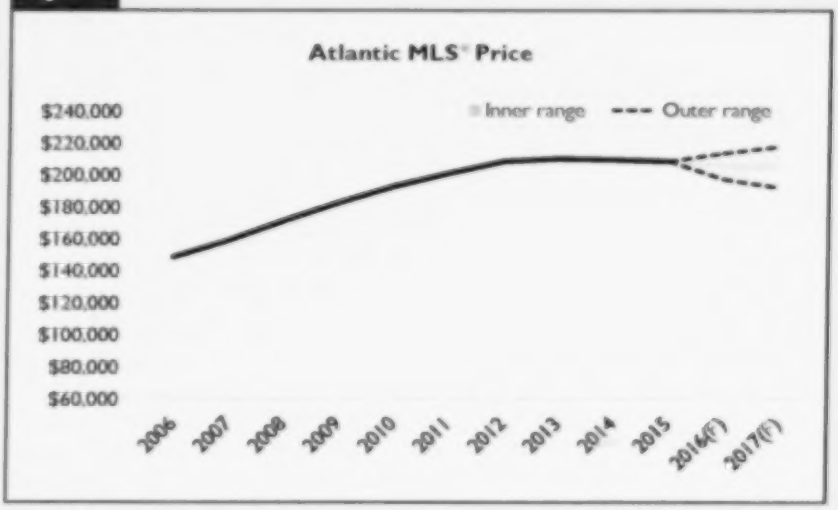
NB

MLS® prices in NB are expected to have an outer range from $152,090 to $161,910 in 2016 and from $151,195 to $166,605 in 2017.

If the corresponding time required to sell a home were to decline as a result of higher demand, this would put upward pressure on prices to the upper end of the range.

A weaker economic outlook and a more pronounced increase in the supply of new listings in the existing home market would dampen sales activity and prices toward the lower end of the range.

Figure 6



Source: CREA. (F): Forecast

Forecast Summary Newfoundland and Labrador Spring 2016							
	2013	2014	2015	2016(F)		2017(F)	
				(L)	(H)	(L)	(H)
New Home Market							
Starts:							
Single-Detached	2,225	1,670	1,271	1,135	1,165	945	1,055
Multiples	637	449	426	270	350	245	355
Starts - Total	2,862	2,119	1,697	1,435	1,485	1,140	1,460
Resale Market							
MLS® Sales	4,303	4,100	4,251	3,935	3,965	3,605	3,795
MLS® Average Price($)	283,101	283,671	275,579	254,515	269,485	247,715	262,285
Economic Overview							
Mortgage Rate(5 year)(%)	5.24	4.88	4.67	4.40	5.00	4.70	5.30

	2013	2014	2015	2016(F)	2017(F)
Rental Market					
October Vacancy Rate (%)	3.2	4.6	4.7	5.0	5.5
Two-bedroom Average Rent (October)($)	864	888	923	925	925
Economic Overview					
Population	528,973	528,903	528,190	527,000	525,000
Annual Employment Level	242,700	238,600	236,200	231,900	224,900
Net Migration	1,450	78	284	-500	-1,350
Average Weekly Earnings ($)	924	966	954	935	910

Multiple Listing Service® (MLS®) is a registered trademark of the Canadian Real Estate Association (CREA).

Rental Market: Privately initiated rental apartment structures of three units and over. Historical and forecast values are an aggregate roll up of the CMA historical data and forecasts from each province.

The forecasts (F) included in this document are based on information available as of 29th April 2016. (L)=Low end of Range (H)=High end of range.

The low end (L) and the high end (H) of forecast ranges for residential housing starts for singles and multiples jointly may not add up to the total. This is due to rounding and volatility of the data.

Source: CMHC (Starts and Completions Survey and Market Absorption Survey). Statistics Canada. CREA(MLS®). CMHC Forecast (2016-2017).

Forecast Summary Prince Edward Island Spring 2016							
	2013	2014	2015	2016(F)		2017(F)	
				(L)	(H)	(L)	(H)
New Home Market							
Starts:							
Single-Detached	282	292	286	290	310	310	340
Multiples	354	219	272	195	265	215	295
Starts - Total	636	511	558	510	550	555	605
Resale Market							
MLS® Sales	1,425	1,380	1,665	1,745	1,805	1,650	1,750
MLS® Average Price($)	156,108	163,911	163,533	168,265	171,735	172,320	177,680
Economic Overview							
Mortgage Rate(5 year)(%)	5.24	4.88	4.67	4.40	5.00	4.70	5.30

	2013	2014	2015	2016(F)	2017(F)
Rental Market					
October Vacancy Rate (%)	7.9	5.9	4.2	3.6	3.8
Two-bedroom Average Rent (October)($)	804	836	830	832	845
Economic Overview					
Population	145,572	146,491	146,679	147,100	147,400
Annual Employment Level	74,100	74,000	73,200	73,600	73,900
Net Migration	161	651	536	1,250	300
Average Weekly Earnings ($)	732	759	776	795	820

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Rental Market: Privately initiated rental apartment structures of three units and over. Historical and forecast values are an aggregate roll-up of the CMA historical data and forecasts from each province. PEI includes Charlottetown (CA).

The forecasts (F) included in this document are based on information available as of 29th April 2016. (L)=Low end of Range (H)=High end of range.

The low end (L) and the high end (H) of forecast ranges for residential housing starts for singles and multiples jointly may not add up to the total. This is due to rounding and volatility of the data.

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Forecast Summary Nova Scotia Spring 2016							
	2013	2014	2015	2016(F)		2017(F)	
				(L)	(H)	(L)	(H)
New Home Market							
Starts:							
Single-Detached	1,639	1,355	1,350	1,480	1,520	1,475	1,525
Multiples	2,280	1,701	2,475	1,865	2,035	2,000	2,300
Starts - Total	3,919	3,056	3,825	3,435	3,465	3,540	3,760
Resale Market							
MLS® Sales	9,147	8,940	9,214	9,300	9,500	9,320	9,680
MLS® Average Price($)	215,598	214,998	219,472	221,065	221,935	220,805	225,195
Economic Overview							
Mortgage Rate(5 year)(%)	5.24	4.88	4.67	4.40	5.00	4.70	5.30

	2013	2014	2015	2016(F)	2017(F)
Rental Market					
October Vacancy Rate (%)	3.2	3.8	3.4	3.2	3.6
Two-bedroom Average Rent (October)($)	976	1,005	1,048	1,075	1,110
Economic Overview					
Population	943,061	943,714	945,121	947,000	949,000
Annual Employment Level	452,600	447,600	448,100	449,000	449,700
Net Migration	-1,145	720	2,972	1,500	1,750
Average Weekly Earnings ($)	781	812	820	833	843

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Rental Market: Privately initiated rental apartment structures of three units and over. Historical and forecast values are an aggregate roll up of the CMA historical data and forecasts from each province.

The forecasts (F) included in this document are based on information available as of 29th April 2016. (L)-Low end of Range (H)-High end of range.

The low end (L) and the high end (H) of forecast ranges for residential housing starts for singles and multiples jointly may not add up to the total. This is due to rounding and volatility of the data.

Source: CMHC (Starts and Completions Survey and Market Absorption Survey), Statistics Canada, Nova Scotia Association of REALTORS®, CMHC Forecast (2016-2017)

Forecast Summary
New Brunswick
Spring 2016

	2013	2014	2015	2016(F)		2017(F)	
				(L)	(H)	(L)	(H)
New Home Market							
Starts:							
Single-Detached	1,376	1,192	1,119	1,080	1,120	1,100	1,150
Multiples	1,467	1,084	876	665	735	740	860
Starts - Total	2,843	2,276	1,995	1,750	1,850	1,840	2,010
Resale Market							
MLS® Sales	6,282	6,273	6,682	6,635	6,765	6,720	7,080
MLS® Average Price($)	162,652	161,803	160,400	156,310	157,690	157,410	160,390
Economic Overview							
Mortgage Rate(5 year)(%)	5.24	4.88	4.67	4.40	5.00	4.70	5.30

	2013	2014	2015	2016(F)	2017(F)
Rental Market					
October Vacancy Rate (%)	9.3	8.2	7.4	6.5	6.1
Two-bedroom Average Rent (October)($)	735	757	761	780	795
Economic Overview					
Population	755,630	755,066	754,164	754,000	752,400
Annual Employment Level	354,500	353,900	351,800	350,900	349,900
Net Migration	-798	-479	145	0	-1,300
Average Weekly Earnings ($)	777	781	809	816	826

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Rental Market: Privately initiated rental apartment structures of three units and over. Historical and forecast values are an aggregate roll-up of the CMA historical data and forecasts from each province. NB includes Fredericton (CA).

The forecasts (F) included in this document are based on information available as of 29th April 2016. (L)=Low end of Range (H)=High end of range.

The low end (L) and the high end (H) of forecast ranges for residential housing starts for singles and multiples jointly may not add up to the total. This is due to rounding and volatility of the data.

Source: CMHC (Starts and Completions Survey and Market Absorption Survey), Statistics Canada, CREA(MLS®), CMHC Forecast (2016-2017).

Atlantic Region Housing Forecast - New Construction

	Housing Starts	2015	2016(F)		2017(F)	
			(L)	(H)	(L)	(H)
St. John's	Single-Detached	729	635	665	575	625
	Multiples	256	190	210	160	190
	Starts - Total	985	815	885	710	840
Charlottetown	Single-Detached	129	130	150	145	175
	Multiples	162	120	140	135	165
	Starts - Total	291	260	280	295	325
Halifax	Single-Detached	425	485	515	505	545
	Multiples	2,174	1,625	1,775	1,760	2,040
	Starts - Total	2,599	2,165	2,235	2,320	2,530
Fredericton	Single-Detached	178	215	225	240	260
	Multiples	198	125	135	195	225
	Starts - Total	376	335	365	435	485
Moncton	Single-Detached	243	185	195	155	175
	Multiples	349	295	345	330	430
	Starts - Total	592	490	530	515	575
Saint John	Single-Detached	130	130	150	120	140
	Multiples	95	55	65	70	90
	Starts - Total	225	195	205	200	220

The forecasts (F) included in this document are based on information available as of 29th April 2016. (L)=Low end of Range (H)=High end of range.

The low end (L) and the high end (H) of forecast ranges for residential housing starts for singles and multiples jointly may not add up to the total. This is due to rounding and volatility of the data.

Source: CMHC (Starts and Completions Survey and Market Absorption Survey). CMHC Forecast (2016-2017).

Atlantic Region Housing Forecast - Resale Market

		2015	2016(F)		2017(F)	
			(L)	(H)	(L)	(H)
St. John's	MLS® Sales	3,378	3,095	3,205	2,915	3,085
	MLS® Average Price($)	296,812	282,395	293,605	272,215	287,785
Charlottetown	MLS® Sales	642	650	730	615	705
	MLS® Average Price($)	204,462	211,500	212,500	214,600	221,400
Halifax	MLS® Sales	4,773	5,065	5,135	5,150	5,350
	MLS® Average Price($)	283,853	282,665	289,335	284,145	291,855
Fredericton	MLS® Sales	1,898	1,960	1,970	1,955	2,005
	MLS® Average Price($)	176,870	176,605	177,395	178,210	180,990
Moncton	MLS® Sales	2,407	2,180	2,250	2,260	2,370
	MLS® Average Price($)	163,601	164,010	167,090	165,175	169,575
Saint John	MLS® Sales	1,679	1,565	1,635	1,600	1,700
	MLS® Average Price($)	163,572	163,990	166,010	164,270	169,730

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The forecasts (F) included in this document are based on information available as of 29th April 2016.

(L)=Low end of Range (H)=High end of range.

Source: CREA(MLS®), Newfoundland and Labrador Association of REALTORS®, Prince Edward Island Real Estate Association, Nova Scotia Association of REALTORS®, CMHC Forecast (2016-2017).

Atlantic Region Housing Forecast - Rental Market

		2015	2016(F)	2017(F)
St. John's	October Vacancy Rate (%)	4.7	5.0	5.5
	Two-bedroom Average Rent (October)($)	923	925	925
Charlottetown	October Vacancy Rate (%)	4.2	3.6	3.8
	Two-bedroom Average Rent (October)($)	830	832	845
Halifax	October Vacancy Rate (%)	3.4	3.2	3.6
	Two-bedroom Average Rent (October)($)	1,048	1,075	1,110
Fredericton	October Vacancy Rate (%)	5.5	4.0	4.0
	Two-bedroom Average Rent (October)($)	829	845	865
Moncton	October Vacancy Rate (%)	7.4	6.5	6.0
	Two-bedroom Average Rent (October)($)	760	790	810
Saint John	October Vacancy Rate (%)	8.5	7.8	7.5
	Two-bedroom Average Rent (October)($)	718	720	725

Rental Market: Privately initiated rental apartment structures of three units and over.

The forecasts (F) included in this document are based on information available as of 29th April 2016.

Source: CMHC (Rental Market Survey). CMHC Forecast (2016-2017).

Atlantic Region Economic and Housing Indicators

		Labour Market			Housing Market				
		Emp. Growth (%)	Unemp. Rate (%)	Average Weekly Earnings ($)	Total Starts	Single-Detached Starts	Multiple Starts	MLS® Sales	MLS® Average Price ($)
St. John's	Q1 2016	-2.8	7.7	928	92	76	16	530	282,054
	Q1 2015	0.7	6.6	979	205	78	127	570	299,415
	Change	-3.5	1.1	-5.2%	-55.1	-2.6	-87.4	-7.0	-5.8
Charlottetown	Q1 2016	-0.3	8.5	n/a	15	9	6	142	223,464
	Q1 2015	0.6	9.6	n/a	72	15	57	95	210,512
	Change	-0.8	-1.1	-	-79.2	-40.0	-89.5	49.5	6.2
Halifax	Q1 2016	-0.7	7.7	899	357	70	287	1,017	272,771
	Q1 2015	1.7	6.6	864	86	64	22	868	273,173
	Change	-2.5	1.1	4.0%	315.1	9.4	1204.5	17.2	-0.1
Fredericton	Q1 2016	-4.0	9.6	n/a	29	17	12	358	170,435
	Q1 2015	6.8	5.8	n/a	4	4	0	315	174,464
	Change	-10.8	3.8	-	625.0	325.0	-	13.7	-2.3
Moncton	Q1 2016	0.4	7.1	803	16	14	2	354	163,212
	Q1 2015	-0.4	6.8	776	78	22	56	432	157,207
	Change	0.8	0.3	3.5%	-79.5	-36.4	-96.4	-18.1	3.8
Saint John	Q1 2016	-0.5	9.1	828	13	13	0	319	155,657
	Q1 2015	-3.3	9.7	835	6	5	1	305	156,945
	Change	2.8	-0.6	-0.9%	116.7	160.0	-100.0	4.6	-0.8
Newfoundland and Labrador	Q1 2016	-2.4	16.0	924	172	137	35	652	260,344
	Q1 2015	-2.6	14.3	946	238	103	135	698	278,745
	Change	0.2	1.7	-2.4%	-27.7	33.0	-74.1	-6.6	-6.6
Prince Edward Island	Q1 2016	-2.8	13.1	780	67	32	35	331	174,281
	Q1 2015	-0.6	13.0	779	91	24	67	228	163,231
	Change	-2.3	0.1	0.1%	-26.4	33.3	-47.8	45.2	6.8
Nova Scotia	Q1 2016	-0.7	10.0	832	559	216	343	1,768	214,991
	Q1 2015	0.3	9.8	824	352	286	66	1,562	217,310
	Change	-1.0	0.2	0.9%	58.8	-24.5	419.7	13.2	-1.1
New Brunswick	Q1 2016	-1.8	11.3	803	108	70	38	1,213	151,883
	Q1 2015	-1.1	11.6	806	154	73	81	1,173	154,557
	Change	-0.7	-0.3	-0.4%	-29.9	-4.1	-53.1	3.4	-1.7
Atlantic Region	Q1 2016	n/a	n/a	n/a	906	455	451	3,964	199,740
	Q1 2015	n/a	n/a	n/a	835	486	349	3,661	205,549
	Change	-	-	-	8.5	-6.4	29.2	8.3	-2.8
Canada	Q1 2016	0.7	7.6	937	38,175	11,819	26,356	114,117	498,260
	Q1 2015	0.6	7.2	909	35,175	10,266	24,909	100,629	428,580
	Change	0.1	0.4	3.1%	8.5	15.1	5.8	13.4	16.3

Changes to the Employment Growth and Unemployment Rate represent the absolute difference between current rates and the rates for the same period in the previous year. Average Weekly Earnings is the 3 month moving average of the last month in the quarter.

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n/a: Not Available

Source: CMHC (Starts and Completions Survey), Statistics Canada, CREA(MLS®), Newfoundland and Labrador Association of REALTORS®, Prince Edward Island Real Estate Association, Nova Scotia Association of REALTORS®

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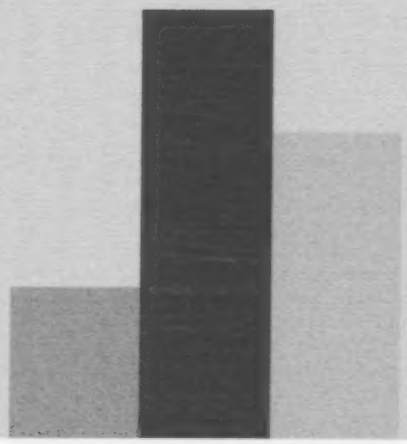

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